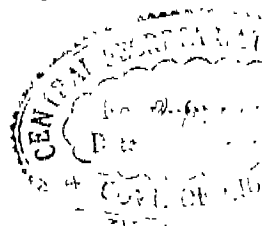


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MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, the 23rd September 1963

THE DEFENCE OF INDIA (NINTH AMENDMENT) RULES, 1963

G.S.R. 1525.—In exercise of the powers conferred by section 3 of the Defence of India Act, 1962 (51 of 1962), the Central Government hereby makes the following rules further to amend the Defence of India Rules, 1962, namely:—

1. These rules may be called the Defence of India (Ninth Amendment) Rules, 1963.

2. In the Defence of India Rules, 1962,—

(i) in Part XII-A. for the word "Board", wherever it occurs, the word "Administrator" shall, unless there is anything repugnant in the subject or context, be substituted and there shall also be made in any sentence in which the word occurs such consequential amendments as the rules of grammar may require;

(ii) in rule 126A,—

(a) for clause (a), the following clause shall be substituted, namely:—

"(a) "Administrator" means the Administrator appointed under rule 126J;";

(b) after clause (b), the following clause shall be inserted, namely:—

"(bb) "certified goldsmith" means a dealer who holds a valid certificate granted under rule 126HH recognising him as a goldsmith;";

(iii) in rule 126B, after sub-rule (1), the following sub-rule shall be inserted, namely:—

"(1-A) On and from the commencement of the Defence of India (Ninth Amendment) Rules, 1963,—

(a) no dealer other than a certified goldsmith shall accept any ornament of a purity exceeding fourteen carats, for polishing or repair;

(b) any dealer may accept any ornament of any purity for the purpose of making new ornament or ornaments of a purity not exceeding fourteen carats."

(iv) in rule 126C, in sub-rule (1), for the words, "As from the commencement of this Part", the words, figures and letter "Save as provided in Chapter IV-A of this Part, as from the commencement of this Part" shall be substituted;

(v) in rule 126H, sub-rule (4) shall be omitted;

(vi) after Chapter IV, the following Chapter shall be inserted, namely:—

#### “CHAPTER IVA

**126HH. Certified goldsmiths.**—(1) A dealer who is not required by sub-rule (3) or sub-rule (4) of rule 126E to make any application for the issue of a licence under that rule and has not obtained any licence in pursuance of an application made by him under sub-rule (6) of that rule may, if he was carrying on business as a dealer for more than a year immediately before the commencement of this Part:—

(a) accept from any person, not being a dealer or refiner, any ornament or ornaments having gold of a purity exceeding fourteen carats for the purpose of making, manufacturing or preparing, and

(b) make, manufacture or prepare, new ornament or ornaments from that ornament or those ornaments so however that the purity and the total quantity of gold contained in such new ornament or ornaments do not exceed the purity and the total quantity of gold contained in the ornament accepted.

(2) No such dealer shall accept any such ornament or ornaments for the purpose of making, manufacturing or preparing new ornament or ornaments as aforesaid after the 31st December 1963 unless before that date he has obtained on an application made in that behalf a certificate recognising him as a goldsmith in such form as may be prescribed and on payment of a fee of one rupee.

(3) On receipt of an application under sub-rule (2), the Administrator may, after making such enquiry as to the antecedents of the applicant and as to the provision, if any, which has been made for the grant of assistance to the family of the applicant by Government or any Government-sponsored agency and after considering the desirability or otherwise of increasing the number of persons dealing in gold in the area in which the applicant carried on business, by order in writing either grant the certificate or reject the application for the same.

(4) A certificate granted under this rule shall be cancelled by the Administrator—

(i) if the certified goldsmith is, at any time after the grant of the certificate to him, registered under any law with respect to sales tax, or

(ii) if the Administrator is satisfied that any statements made in the application for the issue of the certificate or in relation to the certificate are incorrect or false in material particulars or that the holder of the certificate has contravened any of the provisions of this Part:

Provided that no certificate shall be cancelled unless reasonable opportunity has been given to the holder thereof to show cause why the certificate shall not be cancelled.

(5) Sub-rule (10) of rule 126E shall apply, as far as may be, to a certified goldsmith whose certificate has been cancelled as if he were a licensed dealer.

(6) Every certified goldsmith shall have in his possession the certificate granted to him while he carries on business as such goldsmith and shall produce it for inspection on demand by any officer authorised by the Administrator in this behalf.

(7) The provisions of rule 126G shall apply, as far as may be, to a certified goldsmith as if he were a licensed dealer.

(8) Notwithstanding anything contained in rule 126C a certified goldsmith may make or manufacture primary gold of a purity exceeding fourteen carats by melting or processing or converting any ornament:

Provided that a certified goldsmith shall not have at any time in his possession, custody or control any quantity of such primary gold in excess of one hundred grammes.”;

(vii) for rule 126J, the following rule shall be substituted, namely:—

**"126-J. Appointment and functions of Administrator.**—(1) The Central Government shall, by notification, appoint an Administrator for carrying out the purposes of this Part.

(2) It shall be the duty of the Administrator by such measures as he may think fit—

(a) to discourage the use and consumption of gold.

(b) to bring about conditions tending to reduce the demand for gold, and

(c) to advise the Central Government on all matters relating to gold.

(3) The Administrator shall discharge his functions subject to the general control and directions of the Central Government.

(4) The Administrator may by general or special order authorise such person as he thinks fit to exercise all or any of the powers exercisable by him under this Part and different persons may be authorised to exercise different powers:

Provided that no officer below the rank of Collector of Customs or Central Excise or Collector of a district shall be authorised to hear appeals under sub-rule (3) of rule 126M.

(5) Subject to any general or special direction given or condition attached by the Administrator, any person authorised by the Administrator to exercise any powers may exercise those powers in the same manner and with the same effect as if they had been conferred on that person directly by this Part and not by way of authorisation.

(6) Anything done or any action taken (including any application made to, or any order made or licence issued by, the Gold Board or other competent authority) under or in pursuance of this Part before the commencement of the Defence of India (Ninth Amendment) Rules, 1963, shall, so far as it is not inconsistent with the provisions of this Part on or after such commencement, be deemed to have been done or taken under the provisions of this Part as amended by the Defence of India (Ninth Amendment) Rules, 1963."

(viii) in rule 126L, in sub-rule (16), the following shall be inserted at the end, namely:—

"; and such penalty may be imposed,—

(a) without limit, by an officer not below the rank of Collector of Customs or Central Excise;

(b) where the penalty proposed to be imposed does not exceed two thousand rupees, by an officer not below the rank of Assistant Collector of Customs or Central Excise.";

ix) in rule 126M—

(i) for sub-rule (3), the following sub-rule shall be substituted, namely:—

**"(3) An appeal shall lie to the Administrator from every adjudication of confiscation under sub-rule (2) within a period of three months from the date of the communication of the order of adjudication:**

Provided that in the case of an adjudication of confiscation before the commencement of the Defence of India (Ninth Amendment) Rules, 1963, such appeal shall lie within the period of three months aforesaid or within a period of one month from such commencement, whichever period expires later."

(ii) in sub-rule (8), the proviso to clause (a) shall be omitted.

(iii) after sub-rule (8), the following sub-rule shall be inserted, namely:—

**"(9) The provisions of this rule relating to appeal shall apply in relation to any order imposing a penalty under sub-rule (16) of rule 126L as they apply in relation to an adjudication of confiscation under this rule."**

- (x) in rule 126-O, in sub-rule (2), for the words "Every member of the Board", the words "The Administrator" shall be substituted;
- (xi) in rule 126 P, in sub-rule (2), after item (viii), the following item shall be inserted, namely:—
- "(viii-a) carries on business as a certified goldsmith in contravention of the provisions of rule 126 HH;"
- (xii) for rule 126 S, the following rule shall be substituted, namely:—
- "126 S. Administrator, etc., to be public servants and application of certain provisions of Central Excises and Salt Act.*
- (1) The Administrator and any person authorised by him or the Central Government, and performing any functions in the implementation of this Part, shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (45 of 1860).
- (2) The provisions of sections 11, 15 and 23 of the Central Excises and Salt Act, 1944 (1 of 1944), relating to—
- (i) recovery of any sum payable to the Government, or
- (ii) rendering of assistance by any officer of Police or Customs, and
- (iii) failure of any Central Excise officer on duty,
- respectively, shall, as far as may be, apply in regard to like matters under the provisions of this Part."

[No. F. 30/3/63-GCR.]

B. N. BANERJI, Jt. Secy.